

**IN THE HIGH COURT OF JUDICATURE OF BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

COMPANY APPLICATION NO.427 OF 2005
IN
COMPANY PETITION NO.219 OF 1995

M/s.Proma Overseas Tradelinks Ltd. ..Applicants.

V/s.

The Official Liquidator of
M/s. Vatsa Foods &
Beverages Ltd.(in liqn.) ..Respondent.

Mr.Rajendra Mishra i/b A.W.Ansari for applicants.

Ms.Gautam, Dy.Official Liquidator.

CORAM: A.M.KHANWILKAR, J

DATE : SEPTEMBER 1, 2005.

P.C. :

1. By this application, in substance, the applicant, who has purchased the property in public auction prays that he may not be made liable to pay outgoing and dues which were payable by the company. This stand is taken in respect of the three items required to be paid by the applicant. Firstly, dues payable to MSCB for electricity bills being amount of Rs.10,28,840/-. The second is regarding income tax liability of the company and the third relating to MIDC claim against the company towards lease rent in respect of the disputed property for the sum of Rs.1,62,000/-.

2. In so far as first two items are concerned, there can be no dispute that the said amount was payable by the company in relation to the activities of the company and has no causal connection with the property purchased by the applicant as such. The claim of the income tax obviously arises because of income generated by the company while it was a running business. That claim cannot be fastened upon the applicant who has purchased property of the company. The Official Liquidator will have to correspond with the income tax department to register their claim with the Official Liquidator in respect of the respondent company, if so advised. The said claim be considered in accordance with law.

3. In so far as the amount payable by the company in liquidation towards electrical charges to MSCB in the sum of Rs.10,28,840/- would also fall in the same category. The applicant who has purchased the property of the company cannot be made responsible to pay that amount as that liability was to be discharged by the company in respect of the activities of the company and nothing to do with the property in question. Even the MSCB can be called upon to submit its claim before the Official

Liquidator regarding the Company in liquidation.

4. However, in so far as the amount payable to MIDC towards the lease rent is concerned, that is in relation to the property purchased by the applicant and the applicant will be liable to pay the said amount, in view of the terms and conditions of the sale which provide that the public auction was on "as is and where is basis". Besides, clause 15 of the terms and conditions of sale provide that the purchaser shall be liable to pay local taxes, dues and other cesses in respect of the and or effected sale of assets for which he has given offer. In view of this condition, counsel for the applicant fairly accepts that the applicant will honour the said commitment which is pertaining to the property purchased by him being sum of Rs.1,62,000/-.

5. No other aspect survives for consideration. Hence this application is disposed of in the above terms.

6. Further steps be taken by official Liquidator on applicant complying with the above said commitment in respect of lease rent payable to the MIDC.